MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

Provincial Auditor Saskatchewan

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SASKATCHEWAN

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Municipal Potash Tax Sharing Administration Board, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2010, and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
March 25, 2011

Brian Atkinson, FCA
Acting Provincial Auditor

Statement 1

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31

	2010	2009
Financial Assets		
Cash	$17,145	$13,535
Total Financial Assets	$17,145	$13,535
Net Financial Assets - (Statement 2)	$17,145	$13,535

(see accompanying notes to the financial statements)

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Assets
For Year Ended December 31

			2010	2009
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			$10,454,818	$8,783,716
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$6,302,972	700,330	7,003,302	5,569,987
Esterhazy	2,460,756	273,418	2,734,174	2,546,724
Pense	626,789	69,643	696,432	649,438
	$9,390,517	$1,043,391	10,433,908	8,766,149
Revenue held for general administration (Note 4)			20,910	17,567
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			10,000	10,000
Secretary - Treasurer Contract			6,000	4,500
Custom Services - ISC			---	1,240
Board Members' Per Diem			1,000	1,000
Insurance			300	300
			17,300	17,040
Surplus for the year			3,610	527
Net assets, beginning of year			13,535	13,008
Fund balance, end of year - to Statement 1			$17,145	$13,535

(see accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

a) Revenue

The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions

Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.20% (2009 - 0.20%) of taxes received totalling $20,910 (2009 - $17,567).

5. Municipal Taxes From Rural Municipalities

Municipality	RM#	Budget 2010	Actual 2010	Actual 2009
Rocanville	151	$ 1,223,856	$ 1,223,856	$ 1,027,444
Spy Hill	152	826,785	826,785	903,230
Pense	160	697,828	697,828	650,739
Langenburg	181	689,012	689,012	621,153
Usborne	310	1,816,974	1,816,978	1,772,834
Colonsay	342	758,762	758,764	730,448
Blucher	343	1,266,379	1,266,379	943,318
Corman Park	344	1,633,600	1,616,590	900,392
Vanscoy	345	1,558,626	1,558,626	1,234,158
		$ 10,471,822	$ 10,454,818	$ 8,783,716

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Board.

7. Distribution of Funds

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to the rural municipalities and 10% being paid to the urban municipalities.

Schedule 1

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

		Budget 2010	Actual 2010	Actual 2009
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	$ 103	$ 103	$ 78
280	Wreford	37,430	37,340	25,856
281	Wood Creek	3,153	3,145	2,229
283	Rosedale	3,115	3,108	2,362
309	Prairie Rose	152,425	152,056	101,585
310	Usborne	693,067	691,387	525,185
312	Morris	439,032	437,968	303,415
313	Lost River	305,384	304,644	230,214
314	Dundurn	189,198	188,739	150,181
315	Montrose	202,683	202,191	168,748
316	Harris	37,692	37,601	32,298
339	Leroy	101,551	101,304	76,543
340	Wolverine	708,766	707,048	521,559
341	Viscount	406,788	405,802	333,886
342	Colonsay	581,696	580,285	437,615
343	Blucher	575,197	573,850	409,917
344	Corman Park	488,906	487,720	502,649
345	Vanscoy	727,159	725,395	684,763
346	Perdue	207,617	207,113	156,667
370	Humboldt	5,199	5,187	3,852
371	Bayne	59,187	59,043	46,163
372	Grant	114,783	114,504	86,757
373	Aberdeen	229,955	229,397	173,005
376	Eagle Creek	48,159	48,042	37,461
		6,318,245	6,302,972	5,012,988
Urban Municipalities				
Town of Aberdeen		15,621	15,583	12,394
Town of Allan		74,815	74,634	59,359
Town of Asquith		17,073	17,032	13,546
Village of Bradwell		21,579	21,527	17,121
Village of Clavet		40,905	40,806	32,455
Town of Colonsay		50,390	50,269	39,980
Town of Dalmeny		37,941	37,849	30,103
Town of Delisle		106,472	106,215	84,476
Village of Drake		6,877	6,860	5,456
Village of Elstow		10,789	10,763	8,561
Village of Kinley		1,037	1,035	823
Town of Langham		31,420	31,344	24,929

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2010	Actual 2010	Actual 2009
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	132,438	132,118	105,078
Town of Martensville	949	946	753
Village of Meacham	2,075	2,070	1,646
Village of Perdue	10,908	10,882	8,655
Village of Plunkett	2,223	2,218	1,764
Village of Vanscoy	40,194	40,097	31,890
Village of Viscount	29,760	29,688	23,612
Town of Vonda	9,545	9,521	7,573
Town of Warman	6,995	6,978	5,550
Town of Watrous	40,668	40,570	32,267
Village of Young	7,796	7,777	6,185
Village of Zelma	3,557	3,548	2,823
	702,027	700,330	556,999
Area Total	7,020,272	7,003,302	5,569,987
Esterhazy Area			
Rural Municipalities			
121 Moosomin	71,660	71,660	68,431
122 Martin	23,975	23,975	22,886
151 Rocanville	441,936	441,936	430,198
152 Spy Hill	705,242	705,242	628,977
153 Willowdale	42,626	42,626	41,619
181 Langenburg	521,253	521,253	465,989
183 Fertile Belt	442,336	442,336	429,123
211 Churchbridge	133,684	133,684	128,665
213 Saltcoats	78,044	78,044	76,164
	2,460,756	2,460,756	2,292,052
Urban Municipalities			
Village of Atwater	482	482	449
Village of Bangor	964	964	898
Town of Bredenbury	6,344	6,344	5,909
Town of Churchbridge	13,575	13,575	12,645
Town of Esterhazy	109,375	109,375	101,876
Village of Gerald	9,565	9,565	8,909
Town of Langenburg	19,746	19,746	18,392
Town of Rocanville	67,029	67,029	62,433

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2010	Actual 2010	Actual 2009
Esterhazy Area			
Urban Municipalities			
Village of Spy Hill	15,504	15,504	14,441
Village of Stockholm	6,228	6,228	5,801
Village of Tantallon	8,099	8,099	7,544
Village of Welwyn	10,953	10,953	10,202
Village of Yarbo	5,554	5,554	5,173
	273,418	273,418	254,672
Area Total	2,734,174	2,734,174	2,546,724
Pense Area			
Rural Municipalities			
129 Bratt's Lake	4,744	4,744	4,621
130 Redburn	94,461	94,461	77,788
131 Baildon	33,614	33,614	31,311
159 Sherwood	51,072	51,072	47,826
160 Pense	251,350	251,350	246,548
161 Moose Jaw	130,324	130,324	117,088
189 Lumsden	18,970	18,969	17,791
190 Dufferin	28,121	28,121	29,889
191 Marquis	14,134	14,134	11,632
	626,790	626,789	584,494
Urban Municipalities			
Village of Belle Plaine	4,932	4,932	4,599
Village of Bethune	7,109	7,109	6,629
Village of Briercrest	2,254	2,254	2,102
Village of Disley	1,194	1,194	1,114
Village of Drinkwater	5,009	5,009	4,671
Village of Grand Coulee	8,380	8,380	7,815
Village of Pense	39,070	39,070	36,433
Village of Tuxford	1,695	1,695	1,581
	69,643	69,643	64,944
Area Total	696,433	696,432	649,438
Total tax sharing - to Statement 2	$ 10,450,879	$ 10,433,908	$ 8,766,149